App. F. IX-4

Prepared

1936-37

(CS)

File No. 176/36

Serial No. 1

Previous References.

CS 182-25-1-
G.7. 149-17-1-4
G.7. 64-15-1

Letter References.

G7 250-41 (Pt 1-2
G.F. Dep. No. 25/43-44.
G7 108-45 (1-2)
G7 83-46 (1-2)
CS 54-47-1

16

GENERAL AND REVENUE SECRETARIAT.

P 1

Serial No. 1

Part B for April 1937

SUBJECT.

Nomination ~~Appointment~~ of Financial Secretary as President, State Life Insurance Committee

WD 03607—GPB—22,500—2-8-35

Separate Presidents for the ... branches of the Insurance Scheme.

General and Revenue Secretariat | File No. | of 193 . | [App. F. III—2

Serial No. 5

As per personal instructions of the Dewan, in regard to the desirability of having separate Presidents for the Official and Public branches of the Insurance Scheme, I asked the Secretary, Insurance Committee to send a note. The note received from the Secretary is herewith put up. His note assumes a complete separation of the two branches and constitution of separate committees. These elaborate changes are not now contemplated and it is proposed to have only separate Presidents for the two branches.

2 Two draft orders are put up.

3 Though the functions of the Committee are not very clearly laid down in the standing orders and appear to be generally advisory, the President of the Committee exercises certain executive functions and some cases relating to office arrangements, expenditure etc., are also placed before the Committee. The proposal to have separate committees with separate presidents for the official and public branches may give rise to some difficulties in practical working, for example:

(1) There may arise conflict of views between the two committees in regard to matters common to both the branches in respect of which uniformity is desirable (such as ~~loans and payment of policies~~, general rules and

NOTE—Contn. Sheet.

WD 0417--GPB—30,000-8-9-36

Separate Presidents for the official & Public Branches of the Insurance Scheme

File No. of 193 . | General and Revenue Secretariat

Serial No.

DEWAN'S OFFICE
10 APR. 1937
No. 4369

OFFICE OF THE SECOND MEMBER OF GOVT.
8 APR 1937
NO 7167

matters regarding issue and payment of policies, nominations, assignments, payment to policy holders and their heirs etc.)

(2) conflict of views in the exercise of the executive functions by the President about expenditure in the office, appointment, organisation, promotion &c., in which case also uniformity is desirable.

4 The proposed arrangement may, I think, be sanctioned as a tentative one and it will be open to Government to modify it at any time.

2nd P.S. Dewan

8/4. WW 9/4

5 It is perhaps unnecessary at present to appoint a separate President for the Public Branch. The Financial Secretary may be nominated as the President of the Committee without changing its constitution.

MM 10/4/37

6 MM 10-4-37

7 Please put up a draft WW 14/4

8 Draft Sub-D for approval WW 14/4 MM 15/4/37

9 This may come more appropriately after the signature of the Chairman. It may also be considered if it is a Council matter

C.B. Bring up. MM 16/4

JE 14/4

JE Secy

Nomination of the Financial Secy as President of the State Insurance Committee

3598/n

CB1893

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2

Serial No.

10 This does not fall under Council Schedule. Previous changes in the Constitution of the Council have not been treated as Council matter. Submit for information.

1st member & Secretariat

MMS 20/4

11 JPZ 20/4 MMS 21/4

12 Draft order for perusal before issue.

2nd member)

MMS 28/4

NLL 28/4/37

MMS 29/4

No. 2689-91 dy 29.4.37

The Secy, My State Life Insurance Committee

The Comptroller

The Treasurer

Directing that the Secy be the President of the My. S. L. Insurance Committee.

NOTE—Contn. Sheet.

WD 0417--GPB—30,000-8-9-36

D.O.No. 3E5940 | Ci.7.225-36

13.3.1937

Dear Mr. Raghavachar,

I am desired to request you to kindly examine the feasibility or otherwise of completely separating the official & public Branches & having separate committees for the official and public branches of the Mysore State Life Insurance Scheme, and to submit a detailed note giving full reasons both for and against the above proposal, as early as possible.

The matter may kindly be treated as immediate.

Yours sincerely,

13/3.

A.N.Raghavachar, Esq., M.A.,
Secretary, Mysore State Life Insurance Committee,
Bangalore.

Immediate.

D.O. No. 3E5940

13th March 1937.

Dear Mr. Raghavachar,

I am desired to request you to kindly examine the feasibility or otherwise of completely separating the official and public branches of the Mysore State Life Insurance Scheme, and of having separate committees for these branches, and to submit a detailed note giving full reasons both for and against the above proposal as early as possible.

The matter may kindly be treated as immediate.

Yours sincerely,

2

A. N. Raghavachar, Esq., M.A.,
Secretary, Mysore State Life
Insurance Committee,
Bangalore.

A. N. RAGHAVACHAR, M.A.,
SECRETARY.

S. L. I.
D. 53

C.2 225-36-4

No. 17098 & 3 papers

MYSORE STATE LIFE INSURANCE OFFICE,

Bangalore, dated 25th March *193* 7

25

FINANCIAL SECRETARY
27 MAR

3598
27 MAR 1937

Dear Shamanna,

As desired by you in your letter No.Fl.5940 dated th March 1937, I enclose herewith a brief note giving a heral sketch of my views on the points raised by you garding the State Life Insurance Office for the information Government. The question does not appear to have been ed previously.

Yours sincerely,

A. N. Raghavachar

RAJASEVA NIPUNA
S. SHAMANNA, Esq., ...,
Financial Secretary to the Government of His Highness the Maharaja of Mysore,
Bangalore.

NOTE.

Subject Matter:- Regarding the Financial Secretary's Enquiry in his D.O.No.Fl.5940 dated 13-3-1937.

There are two points raised on which notes are required and they are (A) a complete separation of the official and public branches of the Mysore State Life Insurance Schemes and (B) the constitution of separate committees for the branches. I shall deal with them seriatim:

(A) Separation of the Official and Public Branches.

Except for the fact that a portion of the Committee, the President, the Secretary and the Deputy Secretary of the Insurance Office are common to both the branches, the two branches are even now practically distinct. The staff is separate, the budgets are separately framed and approved, the administration reports are separate and the accounts are separately maintained. The last is made evident from the fact that the public branch is being charged rent for the building it occupies and the moiety of the pay of the Deputy Secretary is also charged thereto. Fifty per cent of the lighting, lavatory and the stationery charges is also charged to the public branch; it bears its full expenses on account of printing and forms. The disadvantages of a complete separation of the two branches are:

(1) It would mean the appointment of a separate President, Secretary or a Deputy Secretary. Even if the President's appointment is to be honorary, the other appointments will mean additional expenditure.

(2) It will necessitate two fund heads being maintained

maintained in Comptroller's books. This was being ~~maintained~~ done some years ago but it was found from experience that the maintenance of two separate debt heads resulted in confusion in the treasuries as well as in the Comptroller's office with no obvious advantage.

(3) It would be necessary to multiply the work in the treasuries by requiring separate returns to be sent to two different offices in lieu of the one statement which is now being sent to the combined office.

(4) The entire correspondence between the two branches which is now largely done either personally or unofficially will, to a great extent, be materially added to requiring increased staff and other necessary expenditure. Any additional expenditure will mean a rise in the working expenses ratio and at this state of the business, it does not appear desirable to burden the fund with any avoidable expenditure, especially as there are other items of expenditure which are being put off for some years past and which can no longer be done so, viz., pay of the staff, honorarium to helpers, medical examiner's fees, etc. The fall in the rate of interest earned by the fund renders it practically unthinkable to increase expenditure as the actuarial margin would be insufficient to cover these expenses.

(5) The Public Branch is now getting the benefit of the services of some of the senior members of the Government without any cost and this would possibly be lost by the constitution of a separate branch.

(6) Apart from all these considerations there is one major point which has to be kept in view. Although we are dealing now with different schemes of life insurance, this relates only to one form, namely, human mortality. Though the rate of mortality may vary as between the official and the non-official insured the data and the basis and the method for the completion of the policies are largely similar and uniformity of application of rules and principles based on the actuarial valuation will have to be adhered to. Constitution of separate offices in the present stage may lead to divergence of practice and procedure.

For these reasons I do not think it is expedient on the grounds of expenditure and in the higher interest of securing good results to separate the two offices just yet especially as it does not seem to offer any corresponding definite advantages.

The separation now contemplated is only in having two separate Presidents - Everything else will remain unchanged

(B) Constitution of separate committees.

Beginning with the state when the committee did all the business itself, it was by experience found necessary to gradually delegate most of its powers to the President, Secretary and Deputy Secretary in the interest of work. In the result the committee is now not bothered with the details of practical working except in a very few cases. The present committee is, therefore, largely advisory.

The constitution of separate committee for the public branch, if decided upon, should not be

other than purely advisory also. The constitution of two committees may simplify work to some extent but in view of its advisory nature, if there should be any conflict of opinion in the decisions of the two committees in respect of similar cases or application of technical details based upon actuarial advice, Government will have to decide between the diverging decisions and in such matters it would be difficult to give an independent judgment. This is necessary because many of these rules have been framed upon actuarial advice, and the actuarial advice is obtained at a very high cost by Government, and it means ultimately in the result that the reference to the actuary will have to increase. The Insurance Office will have to bring the result of these conflicting decisions to the notice of Government and there may be some friction as a result of the conflicting machinery. In view of the need for securing harmony on all sides the present arrangements may perhaps be continued.

I am unable to point out any advantages in separating the two branches or appointing separate committees. It may perhaps be considered that the separation would improve the management and expansion of the schemes. The separation itself will not produce the expected result, as it depends largely upon the initiative of the personnel selected and its capacity for organization. This could be achieved, under existing conditions, by selecting or nominating suitable representative interests on the Committee.

It may also be urged that the public will have

more

more confidence in the schemes if a separate Committee consisting of non-official members manages the public branch. This however is a matter of x general policy on which it is permissible to hold different opinions. The confidence which people have placed in the public Branch scheme and in the existing Government management may be largely attributed to the present success of the Government insurance and the favourable rates of premium that are now offered and the fact that the Government of Mysore with their revenues are the guarantors. The present management can bear comparison in point of economy and efficiency with any institution of a similar kind and public opinion does not also appear to have insisted on any - separation.

Secretary,
Insurance Committee.

HN 7/13/3

separation.

does not also appear to have insisted on any -

any institution of a similar kind and public opinion

comparison in point of economy and efficiency with

Guarantors. The present management can bear

Government of Lysore with their revenues are the

premium that are now offered and the fact that the

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and in the existing Government management may be

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sible to hold different opinions. The confidence

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manages the public branch. This however is a

Committee consisting of non-official members

more confidence in the schemes if a separate

Insurance Committee.
Deputy Secretary.

RULES FOR THE CONDUCT OF THE MYSORE

STATE LIFE INSURANCE COMMITTEE

---:oOo:---

CONSTITUTION

The Constitution of the Insurance Committee is as under:-

A President
7 Official Members
1 Secretary
5 Members elected by the Public Branch
Policy-holders from among themselves

Rule 12 A/

The seven official members who with the President and the Secretary conduct the business relating to Official Branch are nominated by Government from among the officers at Head Quarters of the Government at Bangalore.

The President is also nominated by Government from time to time.

The Public Branch business will be conducted by all the 14 members.

The Comptroller is the ex-officio Secretary to the Committee and the seven official members under present orders are:-

1. Revenue Commissioner in Mysore, Bangalore
2. Excise Commissioner in Mysore, Bangalore
3. Inspector-General of Police in Mysore, Bangalore
4. Senior Surgeon with the Government of Mysore, Bangalore
5. Chief Engineer of Mysore, Bangalore
6. Chief Secretary to the Government of Mysore, Bangalore
7. Chief Conservator of Forests in Mysore, Bangalore

The Deputy Secretary will attend the Meetings to assist the Secretary in the deliberations of the meeting.

MEETINGS

vide PP. 48 of the Rules copy.

1. The Committee shall meet once in every quarter and oftener, if necessary, for transaction of business.

2. The ordinary quarterly meeting will generally be held on the second Saturday in the months of February, May, August and November of every year.

PP 48.

3. Special meetings may be convened whenever occasion demands at the instance of the President or on the written request of any three members of the Committee.

Page 48. 4. Three members including the President shall form the quorum.

Page 49. 5. Notice of meetings shall be circulated to every member ten days before the date of the meeting.

Page 49. 6. All meetings of the Committee shall be presided over by the President and if at any such meeting the President is not present at the time appointed for holding the same the members present shall choose one of themselves to preside at the meeting.

Page 49. 7. Any question which shall arise at any meeting of the members shall be decided by a majority of votes and in case of an equality of votes the President thereat shall have a second or casting vote in addition to his own vote.

8. The agenda of the quarterly meeting together with the statements shall be sent to each member before the date of the meeting. Any member who wants further information than that given in the statements or the notes circulated may address the Secretary sufficiently long before the date of meeting.

9. The agenda shall include the business statements for the quarter ended and such of the subjects which the President may order to be placed before the meeting.

10. A member who wants to move a resolution in the Committee will give due notice thereof which shall not ordinarily be less than 15 days before the meeting is held.

GENERAL

11. The Secretary shall record the proceedings and after approval by the President the same will be filed in the Proceedings Book maintained in the office.

12. A copy of the proceedings of each meeting will be furnished to each member whether present or absent at such meeting.

13. The President may order the circulation among the members of the Committee of subjects which may otherwise require to be placed before the meeting, and dispose of the same according to the opinion of the majority. The decision thus arrived at shall

Rule 20, shall be deemed to be the opinion and decision of the Committee.

14. The elected members of the Public Branch are entitled to the allowances for attending the Insurance Committee Meetings as provided for in the Mysore Service Regulations.

Rule 14. 15. The Committee shall be competent to frame rules for the transaction of business and the conduct of its meeting.

16. Copies of Government Orders on important matters dealt with by the Committee will be circulated to the members.

- - -

BSR

8 copies

Proceedings of the Government of
H.H. the Maharaja of Mysore.

Read:-

Government Order No. 2539-41/C.B. 182-25-1 dated 26th March 1926, approving of the appointment of Rajakaryaprasaktha Diwan Bahadur Mr. M.N Krishna Rao, Second Member of Council as President of the State Life Insurance Committee, in place of the Financial Secretary to Govt.

2. Note 2 to Official Memorandum No. 894-900/ C.B. 9-35-1 dated 18th October 1935, nominating inter alia the Second Member of Council as President of the State Life Insurance Committee.

Order No. 2689-91/C.B. 176-86-1.

Dated, Bangalore the 24th April 1937.

In modification of the Government Orders read above, Government are pleased to nominate the Financial Secretary to Government as President of the State Life Insurance Committee.

28/4

Chief Secretary to Government.

To

The Secretary, Mysore State Life Insurance Committee.

" Comptroller to Government.

" Financial Secretary to Govt.

Copy to Financial Branch. — Sent

Copy to P.A. to Second Member — Sent

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Read:—

Government Order No. 2539-41/C.B. 182-25-1, dated 26th March 1926, approving of the appointment of Rajakaryaprasaktha Diwan Bahadur Mr. M.N.Krishna Rao, Second Member of Council as President of the State Life Insurance Committee, in place of the Financial Secretary to Government.

2. Note 2 to Official Memorandum No. 894-900/C.B.9-35-1, dated 18th October 1935, nominating inter alia the Second Member of Council as President of the State Life Insurance Committee.

Order No. 768-91/C.S. 176-36-1

Bangalore, dated the 29th April 1937.

In modification of the Government Orders read above, Government are pleased to nominate the Financial Secretary to Government as President of the State Life Insurance Committee.

Chief Secretary to Government.

To

The Secretary, Mysore State Life Insurance Committee.
" Comptroller to Government.
" Financial Secretary to Government.